

# THE NETHERLANDS Retail Market Snapshot

First Quarter | 2019



## MARKET INDICATORS

### Market Outlook

- Prime Rents: Prime rents will remain stable, with a downwards pressure. ▶
- Prime Yields: Prime yields are forecast to slightly compress in the dominant cities in the country. ▲
- Supply: Available mid-sized retail units are expected to further decline. ▲
- Demand: Demand for retail space from international retailers keeps on going, in particular from continental Europe. ▼

### Prime Retail Rents – March 2019

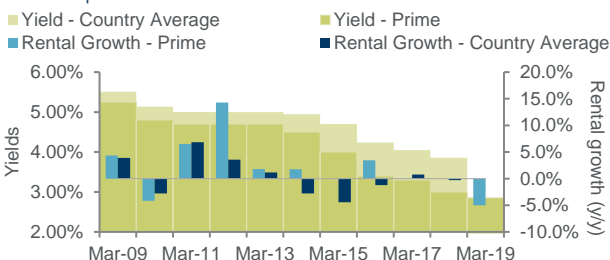
	€	US\$	GROWTH %	
	SQ.M YR	SQ.FT YR	1YR	5YR CAGR
HIGH STREET SHOPS				
Amsterdam	2,850	299	-5.0	-0.3
Rotterdam	1,600	168	0.0	-2.3
The Hague	1,250	131	0.0	-2.2
Utrecht	1,600	168	0.0	0.0
Maastricht	1,600	168	0.0	0.6
Eindhoven	1,200	126	0.0	-3.0

### Prime Retail Yields – March 2019

HIGH STREET SHOPS (FIGURES ARE GROSS, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Amsterdam	2.85	2.85	3.00	5.25	2.85
Rotterdam	3.50	3.50	3.60	5.50	3.50
The Hague	4.00	4.00	4.00	5.60	4.00
Utrecht	3.85	3.85	4.10	5.60	3.85
Maastricht	3.75	3.75	4.10	5.60	3.75
Eindhoven	4.40	4.40	4.75	5.60	4.40
OUT OF TOWN RETAIL (RETAIL PARKS) (FIGURES ARE GROSS, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Amsterdam	6.75	6.75	6.75	8.10	6.75

With respect to the yield data provided, in light of the changing nature of the market and the costs implicit in any transaction, such as financing, these are very much a guide only to indicate the approximate trend and direction of prime initial yield levels and should not be used as a comparable for any particular property or transaction without regard to the specifics of the property.

### Recent performance



## Overview

The national economy continues to show a strong performance in 2018, with an economic growth of 2.5%. Unemployment remains low with 3.8%. Consumer spending is showing an increasing trend while retail turnover remains positive. Especially supermarkets, personal care and home decoration show a strong performance in the turnover development.

## Occupier focus

The entrance of new retailers is shifting from Anglo-Saxon to other parts of the world. The expansion strategy changed, as nowadays retailers only open stores in the top 5 to 10 cities of the country. In 2019, the retail market in Amsterdam registered the lowest vacancy rate of the largest five cities with 3.1%, followed by Eindhoven (5.5%) and Utrecht (4.0%). As a result, the catchment area of larger retail cities is growing, which reinforces the strategy of new retailers to focus on the top 5 to 10 retail cities. Food & Beverage also plays an increasingly important role in the retail landscape, whereby retailers try to make the consumer's stay as long as possible by adding Food & Beverage.

## Investment focus

The total investment volume during the first quarter of 2019 appears to be slightly tempered with EUR 3.4 billion, a decrease of 26% compared to the same quarter in 2018. The retail investment market also shows a downward trend in the first quarter of 2019 of 41%, to a total investment volume of EUR 330 million. The investment volume in retail property thus accounted for around 9.6% of the total investment volume in the first quarter of 2019. Prime yields remained stable during the first quarter of 2019, with the Kalverstraat in Amsterdam still registering the lowest prime yield with 2.85%.

## Outlook

The outlook of the Dutch economy shows a healthy performance. Unemployment remains at a record-low level, GDP-growth continues to be strong and the purchasing power is expected to register a growth of 1.6% in 2019. Retailers continue to search for mid-sized retail units in the dominant cities of the country. While retail investments depend on the available investment opportunities.

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